

Richard Windsor/DC/USEPA/US
03/15/2012 07:24 PM

To "Bob Perciasepe", "Bob Sussman", "Michael Goo", "Gina (Sheila) McCarthy", "Nancy Stoner", "Diane Thompson"
cc
bcc
Subject Fw: BLOOMBERG: Tighter Fracking Regulations Favored by 65% of U.S. in Poll

From: Ex. 6 - Personal Privacy

Sent: 03/15/2012 10:50 PM GMT

To: Richard Windsor; Ex. 6 - Personal Privacy

Ex. 6 - Personal Privacy

Subject: Re: BLOOMBERG: Tighter Fracking Regulations Favored by 65% of U.S. in Poll

More want it full speed ahead, no red lights. People want both, Key is equal pace - win the race safety/technology and transparency as we are producing.

From: Richard Windsor [mailto:Windsor.Richard@epamail.epa.gov]

Sent: Thursday, March 15, 2012 06:41 PM

To: Ex. 6 - Personal Privacy

Subject: Fw: BLOOMBERG: Tighter Fracking Regulations Favored by 65% of U.S. in Poll

 Alisha Johnson

----- Original Message -----

From: Alisha Johnson

Sent: 03/15/2012 06:39 PM EDT

To: Richard Windsor; Bob Perciasepe; Bob Sussman; Diane Thompson; Brendan Gilfillan; Arvin Ganesan; Laura Vaught; Betsaida Alcantara; Sarah Pallone; Michael Goo; Bicky Corman; Stephanie Owens; Dru Ealons; Michael Moats; Stephanie Epner; Andra Belknap; David Bloomgren; Jose Lozano

Subject: BLOOMBERG: Tighter Fracking Regulations Favored by 65% of U.S. in Poll

Tighter Fracking Regulations Favored by 65% of U.S. in Poll

Bloomberg

By Jim Efstathiou Jr.

March 15, 2012 12:00 AM EDT

The U.S. public favors greater regulation of hydraulic fracturing, a natural gas drilling technique that has reduced prices for consumers while raising environmental concerns.

More than three times as many Americans say there should be more regulation of fracturing, known as fracking, than less, according to a Bloomberg News National Poll conducted March 8-11. The findings coincide with recent surveys in Ohio and New York where people who believe fracking will cause environmental damage outnumber those who say the process is safe.

"That actually doesn't surprise me," Mark Boling, executive vice president for Houston-based Southwestern Energy Co. (SWN), said of the poll results in an interview. "We have been so focused as an

industry on figuring out how to crack the code and get these huge volumes of gas trapped in shale formations. We haven't focused on the things we have to do differently above ground." Because of fracking, the U.S. is producing so much gas that the government may approve an export terminal after warning four years ago of a need to boost imports. Gas from shale, fine-grained sedimentary rocks that trap the fuel, made up 23 percent of U.S. production in 2010, and is forecast to rise to 49 percent by 2035, according to the Energy Department.

Fracking Jobs

In 2010, the industry supported more than 600,000 U.S. jobs, according to a report that consultants IHS Global Insight prepared for America's Natural Gas Alliance, a group that represents drillers. Gas prices fell 36 percent last year, helping to put U.S. household expenditures for gas this winter on a track to be the lowest in nine years.

When asked by Bloomberg if there needs to be more or less regulation of fracking, 65 percent said more, 18 percent said less and 17 percent said they weren't sure. The poll of 1,002 adults 18 and older was conducted by Selzer & Co., a Des Moines, Iowa-based firm. It has a margin of error of plus or minus 3.1 percentage points.

In fracking, millions of gallons of chemically treated water and sand are forced underground to break up rock and allow gas or oil to flow. Environmental groups have raised concerns over harmful emissions and the handling of wastewater from gas wells.

State Regulation

Fracking has been used in places such as Texas and Oklahoma since 1949 and is largely regulated by the states. Its use has expanded with the adoption of horizontal wells that branch off to tap into more gas from a single well.

In Pennsylvania, Ohio and West Virginia, drillers are tapping a formation known as the Marcellus Shale that may hold enough gas to supply the U.S. for six years.

The drilling boom has also produced some high-profile failures that have prompted state regulators to review standards. In Pennsylvania, rules were beefed up after the state found that gas from wells operated by Chesapeake Energy Corp. (CHK) had seeped into drinking water supplies in 2010. In his Jan. 24 State of the Union address, President Barack Obama said his administration would "take every possible action" to see that gas fracking is done without putting the public's health or safety at risk. The U.S. Environmental Protection Agency is investigating claims that the extraction process tainted drinking water in Wyoming and Pennsylvania.

New York Moratorium

Former New York Governor David Paterson put a moratorium on drilling while regulators draft rules to protect water sources such as the unfiltered watershed that provides 1.3 billion gallons (4.9 billion liters) a day to New York City.

Proposed regulations threaten to slow shale-gas development and the growth of new jobs, according to the American Petroleum Institute, which represents oil and gas companies. Kyle Isakower, vice president for regulatory and economic policy for the Washington-based industry group, warned of a wave of new federal regulations.

"We're concerned that there are now 10 separate federal government agencies looking to study and potentially add new and unnecessary layers of regulations on hydraulic fracturing," Isakower said in a March 1 statement. "More regulation could increase costs and delays for operators."

Proposed EPA Rules

The EPA has proposed rules that would reduce emissions from gas wells and set standards for how to treat wastewater. The agency is also conducting a broad study on the potential impacts of gas fracking on drinking water. Preliminary results are scheduled to be released later this year.

"I don't see it as something where the federal government is moving into an area where they haven't traditionally had jurisdiction," Boling said. "I don't see a problem with that."

Boling is part of an industry group working on a project with the New York-based Environmental Defense Fund to help states improve oversight of gas fracking.

In December, the EPA linked fracking to groundwater contamination in Pavillion, Wyoming. The agency is also testing water from wells in Dimock, Pennsylvania, after residents in the community complained of methane and chemical contamination from wells operated by Cabot Oil & Gas Corp. (COG)

Cabot on EPA

That inquiry prompted Cabot Chief Executive Officer Dan Dinges to say the "EPA's actions in Dimock appear to undercut the president's stated commitment to this important resource," according to a Jan. 26

letter to EPA Administrator Lisa Jackson. "EPA's approach has caused confusion that undermines important policy goals of the United States to ensure safe, reliable, secure and clean energy sources from domestic natural gas."

Still, Pennsylvania residents strongly support shale gas production. When asked if drilling should go forward in light of its economic benefits or stop because of potential environmental impacts, 62 percent chose drilling compared with 30 percent who said there should be no drilling, according to a survey by Quinnipiac University (78104MF) in Hamden, Connecticut. The poll of 1,370 registered voters was conducted Sept. 21-26.

People in New York and Ohio expressed greater concern over environmental damage, according to Quinnipiac. In a January survey of 1,610 registered voters in Ohio, 43 percent said fracking would cause environmental damage and 16 percent said it would not. When asked the same question in December, 55 percent of people surveyed in New York said drilling would damage the environment while 13 percent said it would not.

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